



## Budget & Finance Committee

Wednesday, May 15, 2019 at 9:30 a.m.  
Room 212 – Otsego County Building  
225 West Main Gaylord, MI 49735

### MINUTES

#### CALL TO ORDER

Mr. Glasser called the meeting to order at 9:30 a.m.

Roll call – Present: Ken Borton, Ken Glasser, Rob Pallarito, Paul Liss, Rachel Frisch, Diann Axford, Mel Maier.

Others present – Chris Churches, Jim Mouch, Brian Webber, Marlene Hopp, David Lick.

#### APPROVAL OF MINUTES

Motion by Mr. Glasser to approve the minutes from the April 16, 2019 Budget and Finance Committee meeting. Seconded by Mr. Pallarito. Motion passed unanimously.

#### UNFINISHED BUSINESS

A. None

#### NEW BUSINESS

##### A. Funding Presentation

Mr. Lick, Attorney, Foster Swift, introduces himself to the committee. Mr. Lick discusses public private partnerships (P3), which is an arrangement between public and private entities for procuring public infrastructure. Mr. Lick discusses the benefits of such an arrangement. Benefits for the public entity include lower interest rates, risk sharing, use of private capital, competition for lower costs and one contract between parties involved. Ms. Frisch questions a comment from Mr. Lick regarding infrastructure design and material flexibility resulting in cost savings. Ms. Frisch notes that with any potential project the County would need to follow strict requirements and could not guarantee that all aspects of an infrastructure would be flexible in terms of design or material. Mr. Lick agreed and noted that the items would have to be identified that could have flexibility. Mr. Lick continued on providing an overview of P3 agreements and noted that the public entity should have 5-15% of the infrastructure designed before approaching private entities with feasibility questions. Ms. Frisch inquires about ownership in such an agreement. Mr. Lick responds with multiple options for such agreements. Mr. Churches requests a broad overview of steps involved with such an agreement. Mr. Lick provides information and reiterates that 5-15% of the design should be established first. Mr. Lick notes that revenue streams need to be identified and provides examples to pursue and notes that such an undertaking involves open communication to necessary parties that will be involved. Mr. Lick also recommends that if such a contract was pursued, the public entity should lay out a nine month timeline of plans.

The committee thanks Mr. Lick for his time and information.

## **B. Work Camp Funding**

Mr. Webber introduces himself to the group and discusses a brief history of the Otsego County Work Camp's funding. Mr. Webber notes that funding from the County's General Fund to Work Camp has decreased over the past few years as Work Camp has become more financially solvent. Mr. Webber notes that staffing was decreased in previous years in response to financial strains within Work Camp. However, Work Camp revenue has increased and Mr. Webber has worked with Ms. Courterier from the Courts to transition drug testing to Work Camp. Mr. Webber notes that Ms. Courterier has secured grant funding in the amount of \$1,500 per month for the drug testing to be performed by Work Camp. Mr. Webber noted that as Work Camp is becoming financially solvent and will be taking on additional work, the current part-time position would need to become full time.

Motion by Mr. Pallarito to recommend to the full Board the drug testing by Work Camp and position change of the current part-time position to full time. Seconded by Mr. Liss. Motion passed unanimously.

## **C. Siding Permits**

Mr. Mouch greets the committee and presents the proposal to discontinue siding permits. Mr. Mouch shares an illustrative graph identifying that of 14 Northern Michigan counties, 69% do not require siding permits. The graph also identifies the minimal revenue that is generated from such permits. Mr. Mouch noted that he has verified with the State of Michigan that siding permits are not required. Mr. Mouch explained that his would be for re-siding only, and the permits and inspections would still be required for new structures and additions.

Motion by Mr. Pallarito to recommend to the full Board the discontinuation of siding permits. Seconded by Mr. Glasser. Motion passed unanimously.

## **D. Millage Information Summary**

Ms. Frisch presents a summary of current millages of Otsego County. The committee acknowledges, discusses and reviews the millages.

## **E. Bus Budget Resolution**

Ms. Frisch presents Bus budget resolution OCR 19-08. The resolution provides for the Otsego County Bus System to apply for State funding in the amount of \$495,656 under ACT 51 provisions. This resolution has been recommended by the Transportation Committee.

Motion by Mr. Liss to recommend to the full Board to approve OCR 19-08. Seconded by Mr. Pallarito. Motion passed unanimously.

## **F. Community Corrections Grant & NEMCCAB Resolution**

Ms. Frisch presents the annual Northeast Michigan Community Corrections Advisory Board (NEMCCAB) Grant Plan and Application for the 2020 fiscal year and a resolution for Otsego County to support the grant application. In order to fund continuation of the Board's Community Correction program, the grant application by NEMCCAB is proposed in the amount of \$253,980 for fiscal year 2020. Ms. Frisch notes that the resolution is to show Otsego County's continued support.

Motion by Mr. Liss to recommend to the full board the resolution to approve the 2020 Community Corrections Grant Application of the Northeast Michigan Council of Governments Otsego County. Seconded by Mr. Pallarito. Motion passed unanimously.

#### **G. CMH Funding and Resolution**

Ms. Frisch presents a memorandum prepared by North County Community Mental Health (NCCMH) that provides different cost allocations between the 6 served Northern Michigan counties for the funding of the Jail Liaison position. Ms. Frisch notes that between the four options prepared by NCCMH, the cost is approximately between \$10,000 and \$14,000 for Otsego County. Ms. Frisch notes that this position provides counseling services for Otsego County inmates. Mr. Glasser notes that mental health is critical to preventing repeat offenders. Ms. Frisch notes that none of the other 6 counties have guaranteed support yet. Mr. Liss suggests a motion that Otsego County would support cost sharing this position and later approve the final cost when provided by NCCMH. Ms. Frisch suggests having the committee direct Ms. Frisch to communicate to NCCMH the support.

Mr. Liss motions for the committee to support the cost sharing of the Jail Liaison position and have Ms. Frisch communicate the support to NCCMH. Seconded by Mr. Pallarito. Motion passed unanimously.

Ms. Frisch then presents an informational document titled 'Request to Remove Section 928, the Local Match Drawdown, from the FY2020 Budget Boilerplate' prepared by Christine Gebhard, CEO, NCCMH. Ms. Frisch also presents a resolution for the Otsego County Commissioners to strongly urge its State Senate and House of Representatives members to eliminate similar language in State funding appropriations.

Mr. Liss motions to recommend to the full Board the resolution to support the removal of such language in future State funding appropriations. Seconded Mr. Pallarito. Motion passed unanimously.

#### **H. RPI Funding Resolution**

Ms. Frisch presents the Michigan Regional Prosperity Initiative (RPI) Funding Reinstatement Resolution. Mr. Pallarito discusses the RPI funding, noting that it has funded trails and helped with agricultural projects.

Mr. Pallarito motions to recommend to the full Board the approval of the resolution to reinstate RPI funding. Seconded by Mr. Liss. Motion passed unanimously.

#### **I. Approval of the 2020 Budget Workshop Calendar**

Motion by Mr. Liss to recommend to the full Board the approval of the 2020 budget calendar. Seconded by Mr. Pallarito. Motion passed unanimously.

#### **J. Investment Report Reviewed**

#### **K. Investment Policy**

Ms. Maier presents an updated draft investment policy for discussion. Committee reviewed and discussed.

## **L. Budget Amendments**

Ms. Maier introduces two budget amendments:

### **a. Snowmobile Grant BA**

Ms. Maier discusses that the budget amendment is necessary to reflect the overtime wages and corresponding fringe benefits for employee time spent through the Snowmobile Grant. Additionally the rental equipment line item should be increased to reflect the agreement between the Otsego County Equipment Fund and the Snowmobile Grant Department for the rental of a 2012 Chevrolet Tahoe by the Snowmobile Grant Department from the Otsego County Equipment Fund.

Motion by Mr. Liss to recommend to the full Board to approve the Snowmobile Grant budget amendment. Seconded by Mr. Pallarito. Motion passed unanimously.

### **b. Reflect additional award from MVAA Grant BA**

Ms. Hopp discusses the grant award from the State of Michigan Department of Military and Veterans Affairs for fiscal year 2019. The total award to Otsego County's Veterans Affairs Department is \$57,881. The award will be used to increase the current part-time position to full-time, increase hours for the Assistant to the Veterans Service Officer, allow for additional training and purchase equipment.

Motion by Mr. Liss to recommend to the full Board to approve the MVAA Grant budget amendment. Seconded by Mr. Pallarito. Motion passed unanimously.

## **M. Financial Reports Reviewed**

## **N. Credit Card Statements Reviewed**

## **O. Additional Information Shared**

- a. Elmira Economic Corridor: Ms. Frisch discusses that there has been interest expressed in the development of Corridor Authority for capital improvements in Elmira and Warner Townships. The corridor would use TIF funding for such improvements which would impact the amount of funding received by the DDA. No specific action has been taken; however Ms. Frisch wants the committee to be aware that this could be an item presented in the future for consideration.
- b. SANE Update: Ms. Frisch discusses that she has been in communication with SANE and their current request is a full time hired position in lieu of a cost allocation.
- c. Bus Bids: Ms. Frisch discusses the public bid (2019-03) held on May 14, 2019, for the sale of four Otsego County Bus System Busses. Ms. Frisch notes that there were a total of six eligible bids received. Of the six eligible bids, the four highest were from Brandon and Roger Koski in the amount of \$823 and \$723; Paul Krause in the amount of \$805 and Brian Whittington in the amount of \$700.

Motion by Mr. Liss to recommend to the full Board the bid awards to the four highest bidders, two busses to Brandon and Roger Koski, one bus to Paul Krause and one bus to Brian Whittington. Seconded by Mr. Pallarito. Motion passed unanimously.

Mr. Glasser adjourned the meeting at 11:56 a.m.